John Hancock
MUTUAL FUNDS

Fund Commentary

Q1 | 2008

John Hancock Lifestyle Conservative Portfolio

FROM THE MFC GLOBAL INVESTMENT MANAGEMENT (U.S.A.) LIMITED PORTFOLIO MANAGEMENT TEAM

The performance data contained within this material represents past performance, which does not guarantee future results. The return and principal value of an investment will fluctuate, so that shares, when redeemed, may be worth more or less than the original cost. The Fund's current performance may be higher or lower and is subject to substantial changes. For performance data current to the most recent month end, contact your financial professional or call John Hancock Funds at 1-800-225-5291.

FUND RESULTS

The Portfolio returned –0.90% for the quarter ended March 31, 2008, compared to a –0.12% return for its benchmark, a blended index combining 20% S&P 500 Index and 80% Lehman Brothers U.S. Aggregate Index.*

MARKET REVIEW

Stocks suffered a broad-based sell-off during the first quarter, as a worsening credit crisis and a slowing U.S. economy combined to depress share prices. There were few places to hide within the equity markets. For example, in the U.S. market, large-cap, mid-cap and small-cap stocks all posted losses approaching double digits. With the situation deteriorating rapidly, the Federal Reserve Board intervened, slashing short-term interest rates by a total of 2.00%. The Fed also loosened its lending guidelines to allow investment banks to borrow directly from it, as commercial banks do. Additionally, the central bank facilitated JPMorgan Chase's buyout of embattled broker Bear Stearns by providing a $29 billion loan guarantee. These actions appeared to reassure the markets and steadied stock prices somewhat by the end of March.

On the fixed-income side, high-quality fixed-income securities and securities denominated in foreign currencies were the strongest performers, while non-investment-grade securities lagged significantly. TIPS (Treasury Inflation Protected Securities) also performed well, as they benefited from both the flight to quality and growing inflationary pressures. Shorter-maturity securities enjoyed the tailwind of the Federal Reserve Board's reductions in interest rates, while those with longer maturities were boosted by the increasing likelihood of a serious economic slowdown, which trumped the negative implications of rising inflation.

PERFORMANCE REVIEW

Overall, our diversification across asset classes was a modest positive contributor to relative performance. Specifically, we benefited from our exposure to international large-cap, U.S. real estate and global real estate equities, along with global bonds and TIPS. Offsetting some of those benefits was our allocation to the weak-performing high-yield bond asset class. From a manager perspective, while there were some standout relative performers, our manager selections overall held us back.

Among individual funds, our performance benefited from a double-digit stake in intermediate-term bond fund **Total Return** (PIMCO), which added value because of its concentration in high-quality bonds. An emphasis on quality also benefited **Investment Quality Bond** (Wellington), a long-term bond fund that aided performance. In the equity portion of the portfolio, exposure to **Fundamental Value** (Davis) modestly aided the Portfolio's results, as that large-cap blend fund's loss was cushioned by underweightings in the weak health care and technology sectors.

Conversely, performance was hampered by a position in **Global Real Estate** (DeAM), which was weighed down by weak overall security selection, a relatively heavy emphasis on Asia and light exposure to Europe. On the fixed-income side, several intermediate-term bond funds delivered disappointing results. **Strategic Bond** (WAMCO) was hampered by its positions in select automotive names, its investments in mortgage-backed securities and exposure to high yield. Meanwhile, **Spectrum Income** (T. Rowe Price) underperformed due to its small exposure to dividend paying equities and exposure to high yield. In the case of **Active Bond** (Declaration/MFC Global (U.S.A.)), its stake in mortgage-backed securities dragged down performance. Lastly, **U.S. Government Securities** (WAMCO), a short-term bond fund, was hurt by positions in AAA-rated non-agency floating-rate securities and mortgage-backed securities.

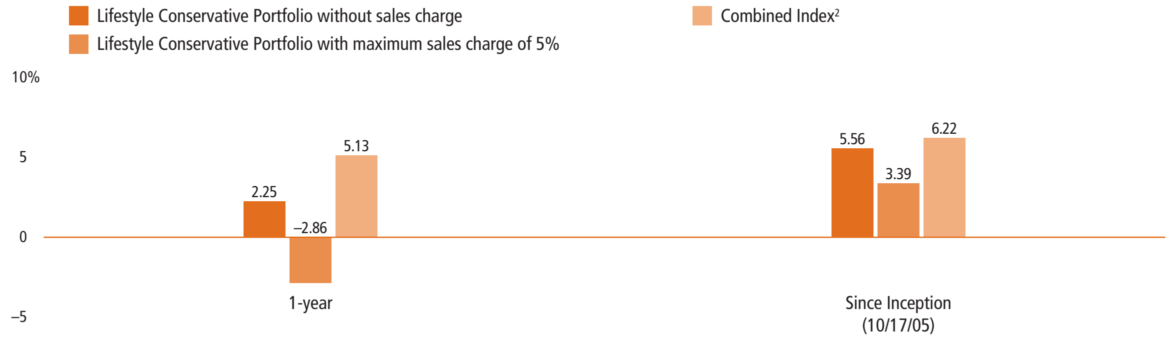
OUTLOOK

While the quarter-end rally was driven by relief that the Fed was actively addressing the U.S. economy's problems and hope that the credit crisis would abate, it's difficult to tell how soon we'll see meaningful improvement. Domestic and foreign banks are still vulnerable to significant write-downs of assets, in our view, and the U.S. economy continues to show signs of slowing, which will lead to slower earnings growth. However, it is important to

*Performance for Class A shares only at net asset value. Please visit our Web site at www.jhfunds.com for performance of other share classes.

remember that markets generally start to recover well before the actual economic data turns decidedly positive. Given the daunting challenge of trying to predict when this will occur, as well as trying to predict what the leading areas will be, we believe the Portfolio's broad diversification offers a very prudent way to participate in the eventual recovery.

AVERAGE ANNUAL TOTAL RETURNS – CLASS A (3/31/08)[1]



Performance reflects a net annual fund operating expense ratio of 1.35%. The gross annual fund operating expense ratio of 1.43% is reduced due to a contractual expense reimbursement. This reimbursement is in effect until at least 5/1/08 and may be terminated after such date. These figures are based on estimated expenses of the underlying funds in the Portfolio. Expenses for other share classes will vary, which will affect returns. Performance figures assume that all distributions are reinvested. Performance quoted without sales charges would be reduced if the sales charges were applied.

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A portfolio's investment objectives, risks, charges and expenses should be considered carefully before investing. The prospectus contains this and other important information about the Portfolio. To obtain a prospectus, call your financial professional, John Hancock Funds at 1-800-225-5291 or visit our Web site at www.jhfunds.com. Please read the prospectus carefully before investing or sending money.

Each Lifestyle Portfolio's performance depends on the adviser's skill in determining the strategic asset class allocations, the mix of underlying funds, as well as the performance of those underlying funds. The underlying funds' performance may be lower than the performance of the asset class which they were selected to represent. A Portfolio is subject to the same risks as the underlying funds in which it invests, which include the following: stocks and bonds can decline due to adverse issuer, market, regulatory or economic developments; investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions; and the securities of small-capitalization companies are subject to higher volatility than larger, more established companies. High yield bonds are subject to additional risks, such as the increased risk of default. Before making an investment in a Lifestyle Portfolio, you should consider all the risks associated with it.

For more information, call your financial professional or John Hancock Funds at 1-800-225-5291.

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This commentary reflects the views of the portfolio managers through March 31, 2008. The managers' views are subject to change as market and other conditions warrant. No forecasts are guaranteed. This commentary is provided for informational purposes only and is not an endorsement of any security, mutual fund, sector or index. MFC Global Investment Mangement (U.S.A.) Limited, John Hancock Investment Management Services, LLC, and their affiliates, employees and clients may hold or trade the securities mentioned in this commentary.

1 Source: Morningstar, Inc. Performance for other share classes may vary, and returns assume all dividends and capital gains are reinvested. The results reflect any expense reductions, which can be terminated in the future. Without these reductions, expenses increase and results would have been less favorable. For a fund which has been in existence for less than a year, total return is not annualized.

2 The combined index consists of 20% of the S&P 500 Index and 80% of the Lehman Brothers U.S. Aggregate Index. The S&P 500 Index is composed of 500 widely held common stocks. The Lehman Brothers U.S. Aggregate Index includes U.S. government, corporate and mortgage-backed securities with maturities up to 30 years. It is not possible to invest directly in an index.